



What Are Goods and Services?

Lesson Description:

In this introduction to the idea of goods and services, students learn to distinguish between the two and identify the goods and services needed by a business.

Suggested Grade Level:

1st – 2nd

Economic Concepts:

Goods and services

Voluntary National Content Standards in Economics:

Content Standard 1: Scarcity

Students will understand that productive resources are limited. Therefore, people cannot have all the goods and services they want; as a result, they must choose some things and give up others.

National Standards for Financial Literacy:

Standard II: Buying Goods and Services

People cannot buy or make all the goods and services they want; as a result, people choose to buy some goods and services and not buy others. People can improve their economic well-being by making informed spending decisions, which entails collecting information, planning, and budgeting.

Time Suggested:

45-60 minutes (if completed in a single teaching period)

Supplies:

- *Good Boy Gets His Name* video, and means to project it
- Chart paper and markers or white board and markers
- Goods and Services chart handout and pencil - one per student (OPTIONAL)
- Pitot's Candy Shoppe handout – one per student, partnership, or group
- Coloring utensils – pencils, crayons, markers, etc.
- Goods and Services assessment PowerPoint presentation, and means to project it

Classroom Procedures:

1. To begin the lesson, show the *Good Boy Gets His Name* video to students. If this is their first introduction to the economic definitions of goods and services, tell them that they will be learning two new terms in the video. Ask students to watch for those terms, and be ready to share what they have learned when the video ends.
2. Following the initial viewing, have students share the goods and services that Timmy and Tammy identified as things they want or need for their new dog, Good Boy. One easy way to do this is by making a T-chart on the board or on chart paper. If students need help focusing, they can copy their responses on their own personal chart, an example of which can be found at the end of this document. Use the following discussion questions as a guide:
 - a. Ask students, “What two new economics terms did you hear in the video?”
(Goods and services. They may also mention “economic wants” if they have not learned it previously.)
 - b. Follow up by asking, “What do these terms mean?” **(Goods and services are things that “satisfy our economic wants.” They are things we buy because we want or need them.)**
 - c. Continue by having students distinguish between the two. “What are goods?” **(Things we can touch. We buy goods because we want them.)** “What are services?” **(Something someone does. We pay for services because we want them.)**
 - d. If students remain confused between the two or have trouble understanding the larger concept, have them re-watch the video’s song, which begins at 2:23. As Tammy sings about goods, emphasize that she is singing about things you can touch, and then pause to make sure students understand the definition clearly. Continue the video until Timmy sings about services, and again emphasize the term’s definition before moving on with the lesson.
 - e. Once students have a handle on the basic idea of goods and services, have them list the goods and services that the video mentioned for Good Boy. Depending on time constraints and how much students remember, you may or may not wish to show the video again to do this.
 - f. The chart below shows the goods and services found in the video. Students do not need to list all of these in order to demonstrate that they understand the concept.

Goods		Services
Bowtie	Chew toys	Dog walking
Leash	Dog biscuits	Dog grooming
Dog bowl	Collar	Dog brushing
Sweater	Dog Bones	Dog sitting
Dog treats	Brush	Dog training
Dog bed	Toothbrush	Veterinary care
Dog food	Dog Toothpaste	

3. The rest of this lesson can be completed with varying levels of independence. If your students were able to list Good Boy's goods and services quickly and confidently, they can work in small groups or pairs. If the previous portion of the lesson caused some struggles, then it may be better to continue as a whole group to avoid confusion.
4. Give each partnership or group a copy of the Pitot's Candy Shoppe handout found at the end of this document. If working as a whole class, give one to each student and project the handout for the whole class to see. Tell students that they will be drawing goods and services found in the candy store. Point out that some of these may have been shown in the video, but that they will have to use what they already know about stores and how they work to add others.
 - a. Begin by working together. Review the beginning of the video so that students can see the candy store itself. Pause the video around the 30-second mark to let the class see a wide shot of the store and allow for discussion about the goods and services found there.
 - b. Ask, "what goods do you see in the store?" (**Likely answers include candy, ice cream, lollipops, and maybe the cash register, since it was addressed directly in the dialogue.**) Follow up by asking, "what additional goods are in the store to help customers can shop easily?" (**The candy is stored in glass jars and containers. Some candy is in bags so customers can buy just a single bag. There are shelves and displays to help customers see what is available. The cakes are displayed on stands.**)
 - c. Now, ask students to draw a few of these items on their Candy Shoppe handouts. They should draw basic outlines, and not be too concerned with the accuracy of their items.
 - d. Continue by asking students to think through any other goods it would take to keep the Candy Shoppe running. What are they? Draw those goods inside OR outside the store. For example, students might think of cleaning supplies like mops and brooms, boxes for receiving shipments of candy or sending candy to customers, shopping bags to put customers' purchases in, or delivery and garbage trucks to keep the business running smoothly.
 - e. Once the students have added goods to their handouts, continue by asking students to add people performing services. Ask, "what services do you remember seeing in the video?" (**Since there were no customers in the video, we have to infer that Tammy and Timmy were going to work as cashiers so that customers could pay for their candy. We can also infer that they were in charge of putting candy on the shelves, cleaning the store, ordering supplies and candy, etc.**) Point out that the same person could be providing several services, especially when that person owns a business.
 - f. Continue by asking, "what other services did the Candy Shoppe need in order to run?" (**Someone, and most likely a group of people, produced the candy that the store sells. Farmers grew the raw ingredients, and someone harvested them. Then, someone combined those ingredients in a way that made them into candy, and packaged them for sale. A delivery company or the post**

office had to deliver the candy to the store, which means that many people along the way were involved in packaging, transporting, and delivering the candy. Depending on students' familiarity with different jobs, some might note that someone created the store's logo, runs its website, and helps advertise it to new customers.)

- g. Students can draw people providing these services inside and outside the store on the handout. Point out that many outside services are needed to run a successful business, even if much of the work inside the store is done by the owner(s).
- h. If needed, students can draw additional service providers on the back of their handout, particularly if they are interested in showing the natural resources used for candy production.

Closing:

Once students have completed their drawings, ask them to share the goods and services they drew that were not shown in the video. Have students (or groups) explain how these goods and services keep the candy store running smoothly. Ask, "why can Timmy and Tammy not do all of these jobs themselves?" (**Answers will vary, but students may point out that Timmy and Tammy may not know how to provide all the services the store needs. They also do not have the time to do all of them. If they spent their days growing sugar cane, they would not be able to wait on customers in the store. If they drove delivery trucks, they would not be able to advertise to new customers.**) This conversation provides a foundation for the economic concept of *specialization*, which students will learn in subsequent grades.

Assessment:

Using the Goods and Services PowerPoint presentation, have students identify whether a photo taken from the video shows a good or a service. Each slide has a "good" and "service" label at the bottom. Ask students to point to the correct box in the corner of each slide to indicate which term the image shows. Since this is students' first exposure to the concept, pay particular attention to whether or not students are confidently pointing based on their own knowledge, or looking around to copy their classmates. This will inform your next steps in instruction.

After students have given their answers for each slide, ask one student to explain what is shown in the image, and whether it shows a good or service. Then, ask "how did you know?" (**Possible answers include: The image showed something we buy that I can touch. The picture had a person doing something for Good Boy. The picture showed things we can buy in a store. There was someone doing something in order to earn money.**) Continue, asking one student to justify his/her answer for each slide.

Extensions:

-Discuss why Good Boy is a fitting name for Timmy and Tammy's dog. The video explains some basic reasoning: Timmy and Tammy paid a fee to adopt him at an animal rescue facility, and he is something they can touch that satisfies an economic want. Students may need a little help understanding the pun in his name. Because "good boy" is something we often say to a dog

who is behaving nicely, it is a little bit of a joke that “good,” in this case, also means an economic good.

-If students are feeling creative, they can write an additional verse or two to the video’s song. What else might they need to buy for Good Boy? They can follow the general format of the verses to extend the song:

I’ll... buy ...

Dog food, chew toys, dog bowls, leashes

Biscuits, collars, dog bones, brushes

Dog food, chew toys, dog bowls, leashes

Biscuits, collars, dog bones, brushes

My doggy sings out “ruff, ruff”

When I buy him stuff, stuff.

I will sing out “ruff, ruff”

When they buy me stuff, stuff.

The list format lends itself to students creating their own ideas about what Good Boy might need in terms of goods, and finding ways to make those ideas fit the overall rhyme scheme of the song.

Goods	Services



